

**For:** State and County Offices

**Clarifying Beneficial Interest Provisions for 2001 Crop Year LDP's**

**Approved by:** Acting Deputy Administrator, Farm Programs

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**1 Overview**

**A**

**Background**

The Farm Security and Rural Investment Act of 2002 (the Act) authorizes marketing assistance loans and LDP's for crop years 2002 through 2007. Notice LP-1842 provided policies about the special 2001 LDP provisions included in the Act.

Several State Offices have requested additional guidance on policies included in Notice LP-1842.

**B**

**Purpose**

This notice clarifies 2001 crop year beneficial interest provisions.

**C**

**2001 Crop Year  
Beneficial  
Interest Waiver**

The 2001 crop special LDP provisions extend 2001 crop year eligibility to producers who:

- produced eligible loan commodities on non-PFC farms
- lost beneficial interest in an eligible commodity produced on a non-PFC or PFC farm.

Section 1205(g) of the Act, provided that the Secretary shall, for the 2001 crop year, make LDP's available to producers using the LDP rate in effect on the earlier of the date the producer marketed or otherwise lost beneficial interest or on the date the producer requested LDP.

Exhibit 1 of this notice includes questions and answers that clarify policies that were included in Notice LP-1842.

**Disposal Date**

June 1, 2003

**Distribution**

State Offices, State Office relay to County Offices

**2001 Crop Year Beneficial Interest Questions and Answers About Notice LP-1842**

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**Subparagraph 2 B read, “For 2001 crop year only, LDP’s are authorized for eligible producers who: . . . produced ‘contract commodities’ and retained beneficial interest are eligible for LDP’s”. Are soybeans produced eligible for LDP’s under the special provisions?**

Yes, soybeans are eligible. The special provisions extend 2001 crop year LDP eligibility to producers who produced eligible loan commodities on non-PFC and PFC farms and who lost beneficial interest in an eligible loan commodity.

**What LDP rate will be used for commodities fed, seeded, or sold?**

The LDP rate is the rate in effect on the date the commodity was fed, seeded, or sold, in the applicable county where the commodity was fed, seeded, or sold.

**Because differentials changed on June 10, 2002, what differentials shall be used when calculating 2001 LDP rates?**

Use the differentials:

- **that were in effect before** June 10, 2002, for any LDP request received before June 10, 2002, or for commodities sold, fed, or seeded before June 10, 2002, and requested after June 10, 2002
- **in effect as of** June 10, 2002, for any LDP request received, or for any 2001 commodities sold, fed, or seeded on or after June 10, 2002.

**Because of the multiple feeding dates, can producers submit one CCC-633 LDP request to cover the multiple feeding dates? This would eliminate the producers need to sign several CCC-633 LDP requests.**

For the special 2001 LDP request **only**, producers can submit one CCC-633 LDP, if they record the multiple dates on CCC-633 LDP, item 33.

**What is the final availability date for 2001 crop LDP’s?**

For 2001 crop LDP’s **only**, the final availability date is extended until 30 days after the day the regulations are published in the Federal Register.

**Producers that have requested a 2001 crop LDP on a commodity produced on a non-PFC must complete FSA-578 to eligible for LDP. Can the producer late-file FSA-578?**

Yes. County Offices shall follow procedure in 2-CP for accepting late-filed acreage reports. Producers are required to pay the late file fee.